

1964

ANNUAL REPORT

OF

The Belt Railway Company

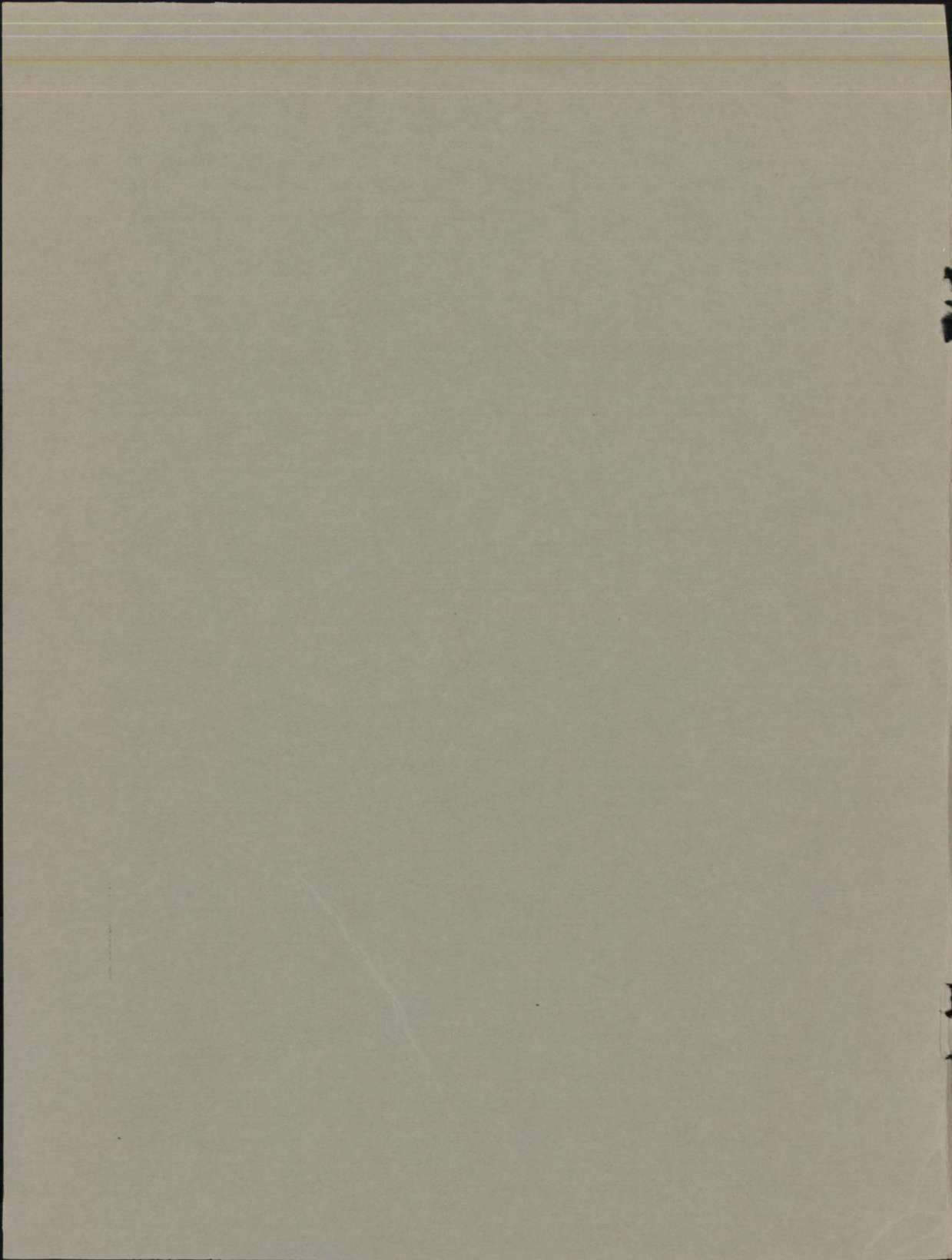
of **CHICAGO**

FOR THE

YEAR ENDED DECEMBER 31, 1964

BOARDS

MRB
652.0973
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General Offices
6900 South Central Avenue
Chicago, Illinois 60638

ORGANIZATION DIRECTORS

JOHN S. REED, The Atchison, Topeka and Santa Fe Railway Co..... Chicago, Ill.
C. V. COWAN, The Chesapeake and Ohio Railway Co. Cleveland, Ohio
DAVID O. MATHEWS, Chicago & Eastern Illinois Railroad Co. Chicago, Ill.
H. C. MURPHY, Chicago, Burlington & Quincy Railroad Co. Chicago, Ill.
O. W. Limestall, Chicago, Rock Island and Pacific Railroad Co... Chicago, Ill.
M. G. McINNES, Erie Lackawanna Railroad Co. New York, N. Y.
H. A. SANDERS, Grand Trunk Western Railroad Co. Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central Railroad Co. Chicago, Ill.
HENRY J. BUCHMAN, Monon Railroad New York, N. Y.
WALTER S. CLEMENT, Norfolk and Western Railway Co. Cleveland, Ohio
H. M. PHILLIPS, The Pennsylvania Railroad Co. Chicago, Ill.
J. D. BOND, Soo Line Railroad Co. Minneapolis, Minn.

During October 1964, the Norfolk and Western Railway Company acquired the 2400 shares of capital stock of The Belt Railway Company of Chicago held by the Wabash Railroad Company and became one of its twelve owners.

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At the annual meeting of the stockholders held on April 14, 1964 Mr. John S. Reed was elected a director representing The Atchison, Topeka and Santa Fe Railway Company to fill the vacancy created by the resignation of Mr. R. G. Rydin.

At a special meeting of the stockholders held on November 10, 1964 Mr. C. V. Cowan was elected a director representing The Chesapeake and Ohio Railway Company to fill the vacancy created by the resignation of Mr. M. I. Dunn, and Mr. Walter S. Clement was elected a director representing the Norfolk and Western Railway Company to fill the vacancy created by the resignation of Mr. H. W. Large.

EXECUTIVE COMMITTEE

O. H. ZIMMERMAN, Chairman

J. D. BOND
O. W. Limestall

H. C. MURPHY
H. M. PHILLIPS

OFFICERS

President and General Manager L. A. EVANS
Vice President and Auditor I. A. SCHILKE
Secretary and Treasurer J. R. EKHOLM
Assistant Secretary and Assistant Treasurer C. J. SCKEL
General Solicitor R. F. KOPROSKE
Assistant Auditor C. L. HOLT

ANNUAL MEETING
SECOND TUESDAY IN APRIL

GENERAL REMARKS

Chicago, April 13, 1965

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1964.

OPERATING REVENUES:

Total operating revenues for the year were \$14,911,967 compared with \$14,084,749 in 1963, an increase of \$827,218, or 5.9 per cent, attributable to handling an increase of 21,031 local loaded cars, or 8.2 per cent. Interchange business handled by Belt power continued to decrease in 1964, largely influenced by an increase in direct deliveries by owner lines and other connections.

OPERATING EXPENSES:

Total gross operating expenses in 1964 were \$12,824,068 compared with \$12,273,628 in 1963, an increase of \$550,440, or 4.5 per cent; higher wage rates amounted to \$348,322. Operating ratio decreased to 71.29 from 71.63 in 1963.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense increased \$268,072, or 16.2 per cent; that portion chargeable to Belt Railway Separate Operation increased \$195,070, or 15.5 per cent, compared with the previous year. This additional expense includes higher wage rates amounting to \$24,452, greater amount of rail and track fastening replacements during the year, renewal of two intermediate retarders in "B" and "C" Clearing hump yards, and replacement of telephone cable from Central Avenue to Cicero Avenue and north dispatcher's line.

The decrease in account, "Removing Snow, Ice, and Sand" reflects more favorable weather conditions in 1964. Operating ratio increased to 9.74 from 8.93 in 1963.

Rail replacements in 1964 were 886 gross tons of new and 969 gross tons of secondhand rail, compared with renewal of 191 gross tons of new and 602 gross tons of secondhand rail in 1963.

There were 6,212 crossties and 100,178 feet B.M. switch ties installed during the year, compared with 4,426 crossties and 88,284 feet B.M. switch ties placed in 1963.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense increased \$80,382, or 6.0 per cent; that portion chargeable to Belt Railway Separate Operation increased \$75,459, or 6.4 per cent. "Other Locomotives - Repairs" increased \$90,287, due principally to heavy material replacements for diesel locomotives; higher wage rates amounted to \$11,730. Operating ratio increased to 8.43 from 8.39 in 1963.

TRANSPORTATION:

Gross Transportation expense decreased \$24,920, or .3 per cent; that portion chargeable to Belt Railway Separate Operation increased \$87,110, or 1.2 per cent. Higher wage rates together with increased employee health and welfare benefits increased Transportation expense \$439,479. Accounting change in distribution of car accounting payroll, also I.B.M. rental and stationery expense, from Transportation accounts to General accounts resulted in a decrease of \$220,365 in Transportation expense and a corresponding increase in General expense. Savings, including fringe benefits, resulting from reduced ground crew consist effective July 27, 1964, and decrease in firemen expense effective May 20, 1964, incident application of Arbitration Award No. 282, amounted to \$420,550. Operating ratio decreased to 47.55 from 49.72 in 1963.

GENERAL:

Gross General expense increased \$266,624, or 34.3 per cent; that portion chargeable to Belt Railway Separate Operation increased \$215,018, or 35.1 per cent. Higher wage rates together with employment separation allowance to 46 firemen under Arbitration Award No. 282 increased General expense \$172,638. Also, accounting change in distribution of car accounting payroll, and I.B.M. rental and stationery expense, referred to under "Transportation," increased General expense \$220,365. Operating ratio increased to 5.55 from 4.35 in 1963.

RAILWAY TAX ACCRUALS:

Increase of \$182,585 is due principally to increase in income tax accruals for year 1963, and credit previous year account overaccrual year 1962 income tax less decrease general property tax accruals.

JOINT FACILITY RENT INCOME:

Decrease of \$342,034 is due to increase in Belt Railway Company net related terminal income applied to reduce owner lines'

working expenses, and decrease in owner lines' proportion of rentals and taxes.

HIRE OF FREIGHT CARS:

Increase of \$266,066, or 22.8 per cent, is principally due to new increased multilevel per diem rates effective January 1, 1964, and delay in loading and unloading cars by industries, evidenced by the substantial increase (\$198,881) in demurrage income. Also, additional cars moving under the Gartland Tariff (coal) were unloaded in 1964, contributing to the increase in Hire of Freight Cars, as this tariff provides for the normal switching rate with a plus in lieu of reclaim.

DIVIDEND:

Income from Belt Railway Separate Operation for the year 1964 was \$567,711, of which \$545,372 representing related terminal income was applied to reduce pro tanto the amount of "working expenses" payable by each of the owner lines for the year 1964. In view of the deficit of \$800,561 in the retained income account, no dividend was paid.

WAGE AND LABOR RELATIONS:

Negotiations on a national basis between the railroads and the five operating unions with respect to work rules, crew consist and numerous related issues, also higher wage rates and health and welfare benefits were concluded and agreements reached in 1964, details of which have been made known to the public through news media. Likewise, negotiations on a national basis were concluded during 1964 between the railroads and various non-operating brotherhoods resulting in higher wage rates and increased health and welfare benefits.

These settlements together with benefits granted to other groups on the property will increase Belt Railway operating expense \$912,698 annually. To offset this increase, we will be able to achieve annual payroll savings, including fringe benefits, estimated at \$991,114 annually through reduced ground crew consist and firemen expense as provided for in the national agreements.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year thirteen new industries were located and ten vacated, compared with twenty-one located and twenty-three vacated in 1963.

LAKE CARGO COAL:

Lake cargo coal operation at the Rail to Water Transfer Corporation facilities, South Chicago, opened April 6, approximately fifteen days later than in 1963, and closed December 9, four days later than the previous year's closing. Coal tonnage handled over the facilities during the year totaled 6,552,951, an increase of 894,883 tons, or 13.6 per cent, over the previous year. Unit coal train handling of lake cargo consignments, introduced for the first time this year, constituted approximately fifty per cent of the total tonnage handled during the year.

CHICAGO REGIONAL PORT AUTHORITY:

Oral arguments were heard on January 24, 1964 by the statutory three-judge Federal Court of the United States for the Northern District of Ohio, Eastern Division, in the matter of lawsuit instituted by the Nickel Plate and Rock Island Railroads involving the petition of the Belt and other companies to serve the Calumet Harbor of the Chicago Regional Port District. No decision by the court was reached as of December 31, 1964.

Detailed statements of the accounts of the Company will be found in the following tables.

The Board desires to express its appreciation for the co-operation and contributions of the employees and managerial staffs during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

REPORT OF AUDITOR

The statements included in this report have been prepared from records maintained under my supervision and to the best of my knowledge and belief set out the amounts shown in accordance with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission.

I. A. SCHILKE

Vice President & Auditor

Chicago, Illinois

March 16, 1965

INCOME STATEMENT

For the Year ended December 31, 1964, compared with the
Year ended December 31, 1963

	1964	1963	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching.....	\$ 5,004,213	\$ 5,043,767	\$(39,554)
Local switching.....	9,203,479	8,543,449	660,030
Demurrage.....	606,689	407,808	198,881
Rents of buildings and other property.....	1,034	1,042	(8)
Miscellaneous.....	96,552	88,683	7,869
Total railway operating revenues.....	\$14,911,967	\$14,084,749	\$ 827,218
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures.....	\$ 1,452,451	\$ 1,257,381	\$ 195,070
Maintenance of equipment.....	1,257,218	1,181,759	75,459
Traffic.....	3,282	34,469	(31,187)
Transportation-Rail line.....	7,090,594	7,003,484	87,110
General.....	827,075	612,057	215,018
Total railway operating expenses.....	\$10,630,620	\$10,089,150	\$ 541,470
Net revenue from railway operations.....	\$ 4,281,347	\$ 3,995,599	\$ 285,748
Operating ratio.....	71.29	71.63	(.34)
RAILWAY TAX ACCRUALS:			
General property.....	\$ 604,716	\$ 659,278	\$(54,562)
Federal income.....	158,603	(70,000)	228,603
Retirement.....	488,121	469,553	18,568
Unemployment.....	243,093	254,838	(11,745)
Other.....	9,294	7,573	1,721
Total railway tax accruals.....	\$ 1,503,827	\$ 1,321,242	\$ 182,585
Railway operating income.....	\$ 2,777,520	\$ 2,674,357	\$ 103,163
RENT INCOME:			
Rent from locomotives.....	\$ 28,800	\$ 26,584	\$ 2,216
Rent from work equipment.....	3,133	4,303	(1,170)
Joint facility rent income.....	210,797	552,831	(342,034)
Total rent income.....	\$ 242,730	\$ 583,718	\$(340,988)
RENTS PAYABLE:			
Hire of freight cars-Debit balance.....	\$ 1,432,019	\$ 1,165,953	\$ 266,066
Rent for locomotives.....	4	520	(516)
Rent for work equipment.....	637	8	629
Joint facility rents.....	139,170	141,456	(2,286)
Total rents payable.....	\$ 1,571,830	\$ 1,307,937	\$ 263,893
Net rents.....	\$(1,329,100)	\$(724,219)	\$(604,881)
Net railway operating income.....	\$ 1,448,420	\$ 1,950,138	\$(501,718)

INCOME STATEMENT - Concluded

For the Year ended December 31, 1964, compared with the
Year ended December 31, 1963

	1964	1963	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment.....	\$ 47,886	\$ 32,187	\$ 15,698
Miscellaneous rent income.....	138,378	141,906	(3,528)
Income from non-operating property.....	17,426	18,783	(1,357)
Interest income.....	48,177	47,276	901
Income from sinking and other reserve funds.....	742	7,750	(7,008)
Miscellaneous income.....	137,580	109,904	27,676
Total other income.....	\$ 390,188	\$ 357,806	\$ 32,382
Total income.....	\$1,838,608	\$2,307,944	\$(469,336)
MISCELLANECUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents.....	\$ 1,224	\$ 1,849	\$(625)
Miscellaneous income charges.....	17,460	22,423	(4,963)
Total miscellaneous deductions.....	\$ 18,684	\$ 24,272	\$(5,588)
Income available for fixed charges.....	\$1,819,924	\$2,283,672	\$(463,748)
FIXED CHARGES:			
Rent for leased roads and equipment.....	\$ 60,511	\$ 91,571	\$(31,060)
Interest on funded debt.....	1,781,463	1,720,808	655
Amortization of discount on funded debt..	5,611	5,611	-
Total fixed charges.....	\$1,797,585	\$1,827,990	\$(30,405)
Income after fixed charges.....	\$ 22,339	\$ 455,682	\$(433,343)

RETAINED INCOME-UNAPPROPRIATED To December 31, 1964

Debit balance January 1, 1964.....	\$ 822,900
Credit balance transferred from income - Year 1964	22,339
Debit balance December 31, 1964.....	<u>\$ 800,561</u>

COMPARATIVE GENERAL BALANCE SHEET

ASSETS

	December 31, 1964	December 31, 1963	Increase or (Decrease)
CURRENT ASSETS:			
Cash.....	\$ 24,349	\$ 130,559	\$ (106,210)
Temporary cash investments.....	2,737,437	1,922,601	814,836
Special deposits.....	647	463	184
Traffic and car-service balances-Dr	74,397	219,587	(145,190)
Net balances receivable from agents and conductors.....	73,098	54,205	18,893
Miscellaneous accounts receivable..	675,015	839,717	(164,702)
Interest and dividends receivable..	100	112	(12)
Accrued accounts receivable.....	666,891	691,260	(24,369)
Working fund advances.....	1,138	1,138	-
Prepayments.....	43,743	36,234	7,509
Material and supplies.....	392,634	397,426	(4,792)
Total current assets.....	\$ 4,689,449	\$ 4,293,302	\$ 396,147
SPECIAL FUNDS:			
Sinking funds.....	\$ 1,016	\$ 19,301	\$ (18,285)
Capital and other reserve funds....	120,291	80,862	39,429
Insurance and other funds.....	11,014	11,997	(983)
Total special funds.....	\$ 132,321	\$ 112,160	\$ 20,161
PROPERTIES:			
Road (See pages 10 and 11).....	\$35,854,901	\$35,674,898	\$ 180,003
Equipment (See pages 11 and 18)....	6,875,864	6,843,168	32,696
Improvements on leased property....	26,735	26,704	31
Total transportation property....	\$42,757,500	\$42,544,770	\$ 212,730
Accrued depreciation - Road and equipment.....	(5,818,335)	(5,354,545)	(463,790)
Total transportation property less recorded depreciation and amortization.....	\$36,939,165	\$37,190,225	\$ (251,060)
Miscellaneous physical property....	1,281,252	1,297,641	(16,389)
Total properties less recorded depreciation and amortization..	\$38,220,417	\$38,487,866	\$ (267,449)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets.....	\$ 1,710	\$ 17,252	\$ (15,542)
Unamortized discount on long term debt.....	126,909	132,520	(5,611)
Other deferred charges.....	109,285	101,035	8,250
Total other assets and deferred charges.....	\$ 237,904	\$ 250,807	\$ (12,903)
Total assets.....	\$43,280,091	\$43,144,135	\$ 135,956

DECEMBER 31, 1964 AND DECEMBER 31, 1963
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1964	December 31, 1963	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable	\$ 938,463	\$ 601,726	\$ 336,737
Miscellaneous accounts payable.....	245,645	197,878	47,767
Interest matured unpaid.....	647	462	185
Unmatured interest accrued.....	627,017	641,780	(14,763)
Accrued accounts payable.....	105,623	120,977	(15,354)
Federal income taxes accrued.....	6,400	-	6,400
Other taxes accrued.....	744,108	800,904	(56,796)
Other current liabilities.....	18,388	34,609	(16,221)
Total current liabilities.....	\$ 2,686,291	\$ 2,398,336	\$ 287,955
LONG-TERM DEBT:			
First Mortgage 4-5/8% Sinking Fund Bonds, Series A, due August 15, 1987.....	\$35,760,000	\$36,505,000	\$ (745,000)
Amounts payable to affiliated companies..	2,424,399	1,849,712	574,687
Total long-term debt.....	\$38,184,399	\$38,354,712	\$ (170,313)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities.....	\$ 81,652	\$ 36,094	\$ 45,558
Other deferred credits.....	18,310	67,893	(49,583)
Total other liabilities and deferred credits.....	\$ 99,962	\$ 103,987	\$ (4,025)
SHAREHOLDERS' EQUITY:			
Capital stock issued..... \$3,120,000			
Less held by or for company 240,000 (A)	\$ 2,880,000	\$ 2,880,000	-
Capital surplus:			
Paid-in surplus.....	230,000	230,000	-
Retained income - unappropriated.....	(800,561)	(822,900)	\$ 22,339
Total shareholders' equity.....	\$ 2,309,439	\$ 2,287,100	\$ 22,339
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$43,280,091	\$43,144,135	\$ 135,956

(A) Owned one-twelfth each - AT&SF, C&O, C&EI, CB&Q, CRI&P, Erie Lackawanna, GTW, IC, Monon, N&W, Penn., Soo Line.

ROAD AND EQUIPMENT PROPERTY

	Balance December 31, 1963	1964		Balance December 31, 1964
		Additions & Betterments	Retire- ments	
ROAD				
Engineering.....	\$ 960,556	\$ 571	\$ 1,084	\$ 960,043
Land for transportation purposes..	6,970,926	-	1,586	6,969,340
Grading.....	6,197,459	600	481	6,197,578
Bridges, trestles and culverts....	2,727,458	-	-	2,727,458
Ties.....	1,451,144	1,398	2,378	1,450,164
Rails.....	3,485,136	18,982	1,359	3,502,759
Other track material.....	2,837,410	(1,997)	3,321	2,832,092
Ballast.....	803,506	14,327	286	817,547
Track laying and surfacing.....	1,426,570	18,602	2,315	1,442,857
Fences, snowsheds and signs.....	7,062	192	-	7,254
Station and office buildings.....	1,217,720	14,971	665	1,232,026
Roadway buildings.....	90,971	2,690	134	93,527
Water stations.....	77,449	-	-	77,449
Fuel stations.....	89,964	861	-	90,825
Shops and engine houses.....	918,358	8,775	-	927,133
Wharves and docks.....	56,850	-	-	56,850
Communication systems.....	136,533	2,833	709	138,657
Signals and interlockers.....	1,935,793	35,170	-	1,970,963
Power plants.....	87,020	-	-	87,020
Power-transmission systems.....	154,840	-	-	154,840
Miscellaneous structures.....	92,245	582	-	92,827
Roadway machines.....	325,406	21,432	2,020	344,818
Carried forward.....	\$32,050,376	\$ 139,989	\$ 16,338	\$32,174,027

ROAD AND EQUIPMENT PROPERTY - CONCLUDED

	Balance December 31, 1963	1964		Balance December 31, 1964
		Additions & Betterments	Retire- ments	
ROAD Brought forward	\$32,050,376	\$ 139,989	\$ 16,338	\$32,174,027
Roadway small tools.....	19,200	-	-	19,200
Public improvements-construction...	992,961	720	1,598	992,083
Other expenditures - Road.....	524	-	-	524
Shop machinery.....	248,075	12,515	1,029	259,561
Power plant machinery.....	328,290	-	-	328,290
Unapplied construction material and supplies.....	13,575	-	13,575	-
General expenditures Accounts 71, & 77.....	264,225	-	299	263,926
Interest during construction.....	1,757,672	-	1,978	1,755,694
Construction work in progress.....	-	61,596	-	61,596
Total Road.....	\$35,674,898	\$ 214,820	\$ 34,817	\$35,854,901
EQUIPMENT				
Other locomotives.....	\$ 6,354,555	\$ 41,060	-	\$ 6,395,615
Freight-train cars.....	257,023	1,840	\$ 10,713	248,150
Work equipment.....	124,376	1,101	-	125,477
Miscellaneous equipment.....	107,214	16,883	17,475	106,622
Total Equipment.....	\$ 6,843,168	\$ 60,884	\$ 28,188	\$ 6,875,864
TOTAL	\$42,518,066	\$ 275,704	\$ 63,005	\$42,730,765

FUNDED DEBT

For The Year Ended December 31, 1964

First Mortgage Bonds issued

August 15, 1962 due August 15,

1987 Bankers Trust Company,

New York, Trustee

Total Amount authorized..... \$75,000,000

Total Issued August 15, 1962-\$37,250.000

4-5/8% Sinking Fund Bonds Series

"A" due August 15, 1987

For purchase of property formerly

leased from Chicago and Western

Indiana Railroad Company August 15, 1962..... \$36,662,852

Proceeds expended for financing expenses also for

additions and betterments subsequent to August 15, 1962... 587,148

Total Issued..... \$37,250,000

Less: Redeemed and cancelled..... 1,490,000

Total Outstanding at December 31, 1964..... \$35,760,000

OPERATING EXPENSES

For the Year ended December 31, 1964, compared with the
Year ended December 31, 1963

	1964	1963	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence.....	\$ 143,125	\$ 144,006	\$ (881)
Roadway maintenance.....	103,127	111,564	(8,437)
Bridges, trestles, and culverts.....	36,600	35,182	1,418
Ties.....	44,885	36,006	8,879
Rails.....	121,329	56,999	64,330
Other track material.....	83,431	60,362	23,069
Ballast.....	8,557	3,042	5,515
Track laying and surfacing.....	361,278	233,374	127,904
Fences, snowsheds, and signs.....	3,430	1,713	1,717
Station and office buildings.....	59,768	60,186	(418)
Roadway buildings.....	7,361	7,763	(402)
Water stations.....	1,330	620	710
Fuel stations.....	365	1,929	(1,564)
Shops and enginehouses.....	42,925	40,088	2,837
Wharves and docks.....	-	8,730	(8,730)
Communication systems.....	58,298	37,159	21,139
Signals and interlockers.....	338,523	293,744	44,779
Power plants.....	5,426	3,173	2,253
Power-transmission systems.....	6,908	1,043	5,865
Miscellaneous structures.....	7,211	5,515	1,696
Road property - Depreciation (Leased)...	139	139	-
Road property - Depreciation (Owned)...	204,788	194,412	10,376
Retirements - Road.....	16,484	3,463	13,021
Roadway machines.....	19,289	14,558	4,731
Dismantling retired road property.....	2,465	1,294	1,171
Small tools and supplies.....	28,774	24,340	4,434
Removing snow, ice, and sand.....	53,338	103,766	(50,428)
Public improvements - Maintenance.....	25,172	7,856	17,316
Injuries to persons.....	7,163	11,493	(4,330)
Insurance.....	17,479	34,475	(16,996)
Stationery and printing.....	3,762	2,853	909
Employees health and welfare benefits..	34,366	36,194	(1,828)
Right-of-way expenses.....	377	412	(35)
Maintaining joint tracks, yards and other facilities - Dr.	74,750	74,952	(202)
Other expenses.....	509	2,255	(1,746)
Gross total.....	\$1,922,732	\$1,654,660	\$ 268,072
Maintaining joint tracks, yards and other facilities - Cr.	470,281	397,279	73,002
Net - Belt Railway - Separate operation	\$1,452,451	\$1,257,381	\$ 195,070
Ratio to operating revenues.....	9.74	8.93	.81

OPERATING EXPENSES - Continued

For the Year ended December 31, 1964, compared with the
Year ended December 31, 1963

	1964	1963	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence.....	\$ 60,887	\$ 62,966	\$(2,079)
Shop machinery.....	3,045	4,542	(1,497)
Power-plant machinery.....	23,187	19,713	3,474
Shop and power plant machinery - Depreciation (Owned)	13,752	12,345	1,407
Other locomotives - Repairs	589,567	499,280	90,287
Freight-train cars - Repairs.....	250,451	249,540	911
Work equipment - Repairs.....	4,973	4,883	90
Miscellaneous equipment - Repairs.....	11,868	11,425	443
Dismantling retired equipment (Owned)...	172	2,116	(1,944)
Equipment - Depreciation (Owned)	273,893	267,676	6,217
Injuries to persons	9,711	11,048	(1,337)
Insurance.....	28,287	46,366	(18,079)
Stationery and printing.....	4,817	3,551	1,266
Employees health and welfare benefits...	26,885	26,401	484
Joint maintenance of equipment expenses - Dr.	126,832	121,206	5,626
Other expenses	881	5,768	(4,887)
Gross total	\$1,429,208	\$1,348,826	\$ 80,382
Joint maintenance of equipment expenses - Cr.	171,990	167,067	4,923
Net - Belt Railway - Separate operation	\$1,257,218	\$1,181,759	\$ 75,459
Ratio to operating revenues.....	8.43	8.39	.04
TRAFFIC:			
Superintendence.....	\$(148)	\$ 13,520	\$(13,668)
Outside agencies.....	-	24,330	(24,330)
Advertising.....	1,530	1,478	52
Stationery and printing.....	2,074	3,215	(1,141)
Employees health and welfare benefits...	151	783	(632)
Other expenses.....	1	-	1
Gross total.....	\$ 3,608	\$ 43,326	\$(39,718)
Charged to Owner Line operation.....	326	8,857	(8,531)
Net - Belt Railway - Separate operation	\$ 3,282	\$ 34,469	\$(31,187)
Ratio to operating revenues.....	.02	.24	(.22)

OPERATING EXPENSES - Continued

For the Year ended December 31, 1964, compared with the
Year ended December 31, 1963

	1964	1963	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence.....	\$ 271,582	\$ 351,069	\$(79,487)
Dispatching trains.....	62,731	61,484	1,247
Station employees.....	817,069	799,435	17,634
Weighing, inspection, and demurrage bureaus.....	4,765	4,441	324
Station supplies and expenses.....	33,825	83,528	(49,703)
Yardmasters and yard clerks.....	469,980	453,144	16,836
Yard conductors and brakemen	2,425,653	2,441,689	(16,036)
Yard switch and signal tenders.....	394,869	390,785	4,084
Yard enginemen	1,633,026	1,697,368	(64,342)
Yard switching fuel	264,592	294,564	(29,972)
Water for yard locomotives	2,753	2,940	(187)
Lubricants for yard locomotives.....	37,753	39,366	(1,613)
Other supplies for yard locomotives.....	30,861	32,106	(1,245)
Enginehouse expenses - Yard	183,301	173,589	9,712
Yard supplies and expenses	584,201	577,010	7,191
Crossing protection	4,501	20,159	(15,658)
Communication system operation	22,638	22,497	141
Employees health and welfare benefits.....	229,414	88,516	140,898
Stationery and printing.....	27,725	69,828	(42,103)
Other expenses.....	3,384	1,491	1,893
Insurance.....	16,140	50,943	(34,803)
Clearing wrecks.....	38,892	28,513	10,379
Damage to property	10,809	13,041	(2,232)
Loss and damage - Freight	102,066	92,408	9,658
Injuries to persons	195,776	122,456	73,320
Operating joint yards and terminals - Dr.	555,893	536,749	19,144
Gross total	\$8,424,199	\$8,449,119	\$(24,920)
Operating joint yards and terminals - Cr.	1,333,605	1,445,635	(112,030)
Net - Belt Railway - Separate operation	\$7,090,594	\$7,003,484	\$ 87,110
Ratio to operating revenues.....	47.55	49.72	(2.17)

OPERATING EXPENSES - Concluded

For the Year ended December 31, 1964, compared with the
Year ended December 31, 1963

	1964	1963	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers.....	\$ 194,950	\$ 159,127	\$ 35,823
Salaries and expenses of clerks and attendants.....	381,229	267,683	113,546
General office supplies and expenses.....	66,350	23,933	42,417
Law expenses.....	72,024	190,919	(118,895)
Insurance.....	2,316	831	1,485
Employees health and welfare benefits.....	16,889	13,859	3,030
Pensions.....	51,256	47,449	3,807
Stationery and printing.....	51,761	17,910	33,851
Other expenses.....	203,077	52,186	150,891
General joint facilities - Dr.	4,469	3,800	669
Gross total.....	\$ 1,044,321	\$ 777,697	\$ 266,624
General joint facilities - Cr.	217,246	165,640	51,606
Net - Belt Railway - Separate operation	\$ 827,075	\$ 612,057	\$ 215,018
Ratio to operating revenues	5.55	4.35	1.20
Total gross.....	\$12,824,068	\$12,273,628	\$ 550,440
Total deductions	2,193,448	2,184,478	8,970
Total operating expenses - Belt Railway - Separate operation	\$10,630,620	\$10,089,150	\$ 541,470
Ratio to operating revenues	71.29	71.63	(.34)
Operating revenue per car	\$ 15.004	\$ 14.707	\$.297
Operating expenses per car.....	\$ 10.696	\$ 10.535	\$.161

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1964		1963		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars.....	259,716	26.13	255,583	26.69	1.62
Empty cars.....	203,479	20.47	218,099	22.77	(6.70)
LOCAL:					
Loaded cars.....	276,847	27.86	255,816	26.71	8.22
Empty cars.....	253,803	25.54	228,199	23.83	11.22
Total.....	993,845	100.00	957,697	100.00	3.77
TOTAL:					
Loaded cars.....	536,563	53.99	511,399	53.40	4.92
Empty cars.....	457,282	46.01	446,298	46.60	2.46
Total.....	993,845	100.00	957,697	100.00	3.77
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards.....	370,514		396,459		(6.54)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago....	569,024		504,016		12.90
Total cars handled.....	1,933,383		1,858,172		4.05

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1960.....	304,974	224,396	247,010	227,889	1,004,269
1961.....	277,533	207,378	229,255	214,496	928,662
1962.....	277,146	208,919	238,950	219,251	944,266
1963.....	255,583	218,099	255,816	228,199	957,697
1964.....	259,716	203,479	276,847	253,803	993,845

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1960.....	787,097
1961.....	779,721
1962.....	860,191
1963.....	900,475
1964.....	939,538

EQUIPMENT OWNED

	Number on Hand Dec. 31 1963	Changes During Year		Number on Hand Dec. 31 1964
		Added	Retired	
Locomotives:				
Diesel	46	-	-	46
Freight-train Cars:				
Caboose.....	33	-	3	30
Box	2	1	1	2
Total	35	1	4	32
Work Equipment:				
Flat cars.....	4			4
Gondola cars	2			2
Truck car	1			1
Refrigerator car	1			1
Instruction car	1			1
Wrecking derrick	1			1
Tool car.....	1			1
Commissary car	1			1
Burro crane.....	1			1
Total	13			13
Miscellaneous Equipment:				
Automobile trucks.....	21	3	3	21
Station wagon	1			1
Automobile trailer	2			2
4 Door sedan	3			3
Total	27	3	3	27

MILEAGE OF TRACK OPERATED

	1964				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Owned by The Belt Railway Co., Cragin to South Chicago including Clearing Yard.....	27.16	25.60	-	303.40	356.16
B - Leased from other companies, Chicago, Peoria & Western (Argo)....	-	-	-	.52	.52
Clearing Industrial District (North)	-	-	-	12.89	12.89
Clearing Industrial District (South)	-	-	-	2.22	2.22
Total	-	-	-	15.63	15.63
C - Operated under trackage rights from other companies					
C. & W. I. R. R. Co.					
80th St. to Pullman Jct.	3.56	3.47	-	.03	7.06
Pullman Jct. to South Deering.....	2.68	2.68	2.54	.38	8.28
South Deering to Burnham.....	3.98	3.98	.67	3.83	12.46
C. R. I. & P. Ry. - South Chicago.....	-	-	-	1.57	1.57
P. F. W. & C. Ry. - South Chicago.....	-	-	-	.09	.09
I. H. B. R. R. - 55th to Elsdon	1.41	1.40	-	-	2.81
B. & O. C. T. R. R. - Clearing to Proviso	9.05	8.09	-	13.70	30.84
B. & O. C. T. R. R. - Southwest Division (Cicero District)	-	-	-	6.08	6.08
N & W Railway - Ford Yd. & Lead	-	-	-	1.26	1.26
Calumet Western R. R. - 112th to 116th.	.51	-	-	-	.51
Pennsylvania R. R. & I. H. B. R. R. (Joint) 116th to 117th	.11	-	-	-	.11
Chicago, West Pullman & Southern - South Chicago.....	-	-	-	.09	.09
Elgin, Joliet & Eastern Ry. - Burnham	-	-	-	.17	.17
Total	21.30	19.62	3.21	27.20	71.33
Total Miles Operated	48.46	45.22	3.21	346.23	443.12

*Trackage Rights Not Exercised.

YARD TRACKS OWNED BY THE BELT RAILWAY CO. BUT NOT OPERATED

(Not included in above mileage)

Leased To	Location	Miles of Road
C. W. P. & S. R. R.	Warner Branch	1.46
C. & O. Ry. Co.	Rockwell St. Yard	10.86
Total		12.32

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
I. H. B. R. R.	Elsdon Branch	1.51
E. J. & E. R. R.	South Chicago to Mill Gate & South Deering....	3.40
Chicago Short Line	South Chicago to South Deering.....	2.90
Total		7.81

